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FY20/2 Earnings

April 16, 2020

Ichigo Inc. (Tokyo Stock Exchange First Section, 2337)

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Annual Shareholders Meeting: May 24, 2020 (expected)

Submission of the Financial Report (*Yuka Shoken Hokokusho*): May 25, 2020 (expected)

Dividend Payment: May 25, 2020 (expected)

Supplemental Materials to Financial and Business Results: Yes

Financial and Business Results Briefing: Yes (for institutional investors and analysts)

1. FY20/2 Consolidated Financial Results (March 1, 2019 to February 29, 2020)

(1) Consolidated Financial Results

(YOY = year-on-year % change)

	Revenue (JPY million) YOY		Operating Profit (JPY million) YOY		Recurring Profit (JPY million) YOY		Net Income (JPY million) YOY	
FY20/2	87,360	+4.6%	27,721	+5.5%	24,395	+5.7%	8,201	-46.7%
FY19/2	83,540	+44.4%	26,279	+19.9%	23,076	+20.3%	15,373	+9.7%

Note: Comprehensive Income FY20/2: JPY 8,921 million (-42.6% YOY)
FY19/2: JPY 15,554 million (+6.9% YOY)

	Net Income per Share (Basic, JPY)		Net Income per Share (Diluted, JPY)		Return on Equity	Return on Assets (Recurring Profit)	Operating Profit Margin
FY20/2	16.89	-45.8%	16.88	-45.7%	8.2%	7.5%	31.7%
FY19/2	31.14	+10.7%	31.12	+10.7%	16.3%	7.5%	31.5%

(2) Consolidated Financial Condition

	Total Assets (JPY million)	Net Assets (JPY million)	Shareholder Equity Ratio	Net Assets per Share (JPY)
FY20/2	333,726	101,607	30.1%	208.49
FY19/2	319,343	102,859	30.9%	202.14

Note: Shareholders' Equity FY20/2: JPY 100,434 million FY19/2: JPY 98,748 million

(3) Consolidated Cash Flows

	Cash Flows from Operations (JPY million)	Cash Flows from Investments (JPY million)	Cash Flows from Financing (JPY million)	Cash and Cash Equivalents at Period-End (JPY million)
FY20/2	11,892	-10,263	9,537	40,826
FY19/2	21,762	-15,602	4,346	45,029

Note: Economic Operating Cash Flow (Cash Flows from Operations excluding net change in Real Estate and Power Plants for Sale)

FY20/2: JPY 29,492 million FY19/2: JPY 25,522 million

2. Dividends

	Dividend per Share (JPY)					Total Dividend (JPY million)	Payout Ratio	Dividend on Equity (DOE)
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total			
FY19/2	–	–	–	7	7	3,419	22.5%	3.7%
FY20/2	–	–	–	7	7	3,372	41.5%	3.4%
FY21/2 (Forecast)	–	–	–	–	–		–	

Note: The FY21/2 dividend is currently undetermined. For details, please see “Dividend Policy and FY20/2 & FY21/2 Dividend” on page 4.

3. FY21/2 Full-Year Consolidated Earnings Forecast (March 1, 2020 to February 28, 2021)

(YOY = year-on-year % change)

	Operating Profit (JPY million) YOY		Recurring Profit (JPY million) YOY		Net Income (JPY million) YOY		Net Income per Share (JPY)	
FY21/2	6,200~	-53.5%~	3,400~	-57.4%~	2,000~	-2.5%~	4.15~	-1.7%~
	12,900	-77.6%	10,400	-86.1%	8,000	-75.6%	16.60	-75.4%

Note: Given Covid-19 uncertainty, Ichigo is reporting its FY21/2 earnings forecast as a range. For details, please see “Earnings Outlook” on page 3.

4. Other

(1) Changes in significant consolidated subsidiaries (material changes in scope of consolidation):

Yes	
New subsidiaries:	None
Subsidiary removed from consolidation:	YK PIT PARTNERS Tokumei Kumiai

(2) Changes in accounting standards/principles, changes in accounting estimates, and revisions to previous financial statements

(i) Changes in accounting standards/principles:	None
(ii) Changes in accounting principles other than the above:	None
(iii) Changes in accounting estimates:	None
(iv) Revisions of previous financial statements:	None

(3) Number of outstanding common shares

(i) Number of outstanding shares (including treasury shares) at period-end

FY20/2: 505,368,918

FY19/2: 505,066,430

(ii) Number of treasury shares at period-end

FY20/2: 23,637,400

FY19/2: 16,556,200

(iii) Average number of outstanding shares (excluding treasury shares) during the period

FY20/2: 485,698,401

FY19/2: 493,714,169

Segment Information

Asset Management (AM) generates fee income via the management of Ichigo Office (8975), Ichigo Hotel (3463), Ichigo Green (9282), and providing real estate services related to real estate acquisition, operations, and disposition.

Sustainable Real Estate (SRE) preserves and improves real estate. Ichigo receives rental income during the period in which it carries out its value-add, along with earning gains on sales that reflect the real estate's higher value after the value-add is complete.

Note: The Sustainable Real Estate segment was formerly called Value-Add. In keeping with its recently announced Ichigo 2030 vision, Ichigo has changed the segment name to Sustainable Real Estate in order to put full focus on Ichigo's commitment to preserving and improving real estate as a sustainable infrastructure company.

Clean Energy (CE) is utility-scale solar and wind power production that supplies clean energy and brings productive use to idle land.

Note on Appropriate Use of Forecasts

Forward-looking statements contained in these materials are based on judgments regarding information that was available to Ichigo as of the announcement date. However, these statements involve risk and uncertainties, and actual earnings may differ significantly from the indicated forecasts.

Earnings Outlook

The Covid-19 global pandemic is dramatically reducing hotel demand and putting pressure on tenants' businesses across-the-board. The uncertainties surrounding the pandemic's potential impact also create difficulties in forecasting FY21/2 earnings. Ichigo is thus forecasting its FY21/2 earnings as a range, taking a conservative view on the bottom of the range.

Ichigo is forecasting FY21/2 Operating Profit of JPY 6.2 billion to JPY 12.9 billion, Recurring Profit of JPY 3.4 billion to JPY 10.4 billion, Net Income of JPY 2.0 billion to JPY 8.0 billion, and EPS of JPY 4.15 to JPY 16.60.

Ichigo is focused on earnings growth (not revenue growth), with a particular focus on growing long-term EPS, so does not issue a Revenue forecast.

In addition, Ichigo provides a full-year earnings forecast, but not a half-year forecast, because we believe the longer full-year forecast is more consistent with global best practice and the focus of Japan's Corporate Governance Code on growing long-term sustainable corporate value.

Dividend Policy and FY20/2 & FY21/2 Dividend

Ichigo has a progressive dividend policy to provide a secure and stable dividend to its shareholders. Under this policy, the FY20/2 Dividend is JPY 7.

As noted in “Earnings Outlook” above, the uncertainties surrounding the Covid-19 pandemic’s potential impact create difficulties in forecasting FY21/2 earnings. Ichigo is thus forecasting its FY21/2 earnings as a range, and currently leaving the FY21/2 Dividend undetermined. The FY21/2 Dividend will be announced upon its determination.

Consolidated Balance Sheet (FY20/2)

(JPY million)

	FY19/2 (Feb 28, 2019)	FY20/2 (Feb 29, 2020)
Assets		
Current Assets		
Cash and deposits	50,225	41,067
Trade notes and accounts receivable	1,344	2,308
Operational loan investments	1,324	1,324
Operational securities investments	1,218	902
Real estate for sale	161,322	68,290
Other	2,156	3,721
Less: allowance for doubtful accounts	-2	-6
Total Current Assets	217,590	117,608
Fixed Assets		
Property, Plant, and Equipment		
Buildings and structures	24,577	60,131
Depreciation	-4,238	-5,080
Buildings and structures (net)	20,338	55,050
Solar power plant equipment	21,229	26,713
Depreciation	-2,170	-3,287
Solar power plant equipment (net)	19,058	23,425
Land	49,924	122,114
Buildings under construction	956	2,432
Solar power plants under construction	3,656	2,058
Other	1,441	1,844
Depreciation	-399	-727
Other (net)	1,042	1,116
Total Property, Plant, and Equipment	94,976	206,198
Intangible Assets		
Goodwill	1,346	1,090
Leasehold rights	316	687
Other	331	705
Total Intangible Assets	1,993	2,482
Investments and Other Assets		
Securities investments	2,455	4,321
Long-term loans receivable	10	510
Deferred tax assets	177	568

(JPY million)

	FY19/2 (Feb 28, 2019)	FY20/2 (Feb 29, 2020)
Other	2,231	2,128
Less: allowance for doubtful accounts	-91	-91
Total Investments and Other Assets	4,782	7,436
Total Fixed Assets	101,752	216,118
Total Assets	319,343	333,726

(JPY million)

	FY19/2 (Feb 28, 2019)	FY20/2 (Feb 29, 2020)
Liabilities		
Current Liabilities		
Short-term loans	3,275	3,086
Bonds (due within one year)	112	274
Long-term loans (due within one year)	7,881	12,277
Long-term non-recourse loans (due within one year)	1,666	1,178
Income taxes payable	3,760	2,416
Accrued bonuses	31	33
Other current liabilities	5,178	5,013
Total Current Liabilities	21,905	24,280
Long-Term Liabilities		
Bonds	538	6,082
Long-term loans	131,569	151,483
Long-term non-recourse loans	51,068	39,156
Deferred tax liabilities	2,164	1,890
Long-term security deposits received	8,292	8,118
Other long-term liabilities	946	1,107
Total Long-Term Liabilities	194,579	207,838
Total Liabilities	216,484	232,119
Net Assets		
Shareholders' Equity		
Capital	26,820	26,885
Capital reserve	11,207	11,272
Retained earnings	66,730	71,505
Treasury shares	-5,988	-8,988
Total Shareholders' Equity	98,769	100,674
Accumulated Other Comprehensive Income		
Valuation gain (loss) on other securities	386	158
Deferred gain (loss) on long-term interest rate hedges	-408	-397
Total Accumulated Other Comprehensive Income	-21	-239
Stock Options	827	988
Minority Interests	3,283	184
Total Net Assets	102,859	101,607
Total Liabilities and Net Assets	319,343	333,726

Consolidated Income Statement (FY20/2)

(JPY million)

	FY19/2 (Mar 1, 2018 to Feb 28, 2019)	FY20/2 (Mar 1, 2019 to Feb 29, 2020)
Revenue	83,540	87,360
Cost of Goods Sold	51,413	52,851
Gross Profit	32,126	34,509
SG&A	5,847	6,787
Operating Profit	26,279	27,721
Non-Operating Income		
Interest income	3	8
Dividend income	68	78
Insurance income	25	35
Valuation gains on foreign currency	21	–
Mark-to-market gains on long-term interest rate hedges	5	–
Other	23	27
Total Non-Operating Income	147	150
Non-Operating Expenses		
Interest expense	2,328	2,293
Mark-to-market losses on long-term interest rate hedges	491	336
Debt financing-related fees	327	538
Other	203	307
Total Non-Operating Expenses	3,350	3,476
Recurring Profit	23,076	24,395
Extraordinary Gains		
Gains on sale of securities investments	2	11
Gains on sale of subsidiary shares	–	169
Other	–	35
Total Extraordinary Gains	2	215
Extraordinary Losses		
Loss on disposal of fixed assets	–	27
Covid-19 writedown of real estate for sale	–	7,487
Covid-19 writedown of securities investments	–	229
Covid-19 writedown of goodwill	–	319
Total Extraordinary Losses	–	8,065
Pre-Tax Net Income	23,079	16,545

(JPY million)

	FY19/2 (Mar 1, 2018 to Feb 28, 2019)	FY20/2 (Mar 1, 2019 to Feb 29, 2020)
Income Taxes – Current	7,091	7,990
Income Taxes – Deferred	241	-584
Total Income Taxes	7,333	7,406
Pre-Minority Interest Net Income	15,746	9,139
Net Income Attributable to Minority Interests	373	938
Net Income	15,373	8,201

Consolidated Statement of Comprehensive Income (FY20/2)

(JPY million)

	FY19/2 (Mar 1, 2018 to Feb 28, 2019)	FY20/2 (Mar 1, 2019 to Feb 29, 2020)
Pre-Minority Interest Net Income	15,746	9,139
Other Comprehensive Income		
Valuation gains (losses) on other securities	-156	-228
Deferred gains (losses) on long-term interest rate hedges	-35	10
Total Other Comprehensive Income	-192	-217
Comprehensive Income	15,554	8,921
Comprehensive income attributable to common shareholders	15,180	7,983
Comprehensive income attributable to minority interests	373	938

Consolidated Statement of Changes in Shareholders' Equity

(FY20/2 – Current Period)

(JPY million)

	Shareholders' Equity				
	Capital	Capital Reserve	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance as of March 1, 2019	26,820	11,207	66,730	-5,988	98,769
Changes in the Current Period					
Share Issuance ¹	64	64			129
Dividend Payment			-3,419		-3,419
Net Income			8,201		8,201
Change in Consolidated Subsidiaries		-	-7		-7
Change due to Transactions with Non-Controlling Shareholders					-
Share Buyback				-2,999	-2,999
Sale of Treasury Shares ¹					-
Changes in Items other than Shareholders' Equity					
Total Changes	64	64	4,774	-2,999	1,904
Balance as of February 29, 2020	26,885	11,272	71,505	-8,988	100,674

	Other Comprehensive Income			Stock Options	Minority Interests	Total Net Assets
	Valuation Gain (Loss) on Other Securities	Deferred Gain (Loss) on Long-Term Interest Rate Hedges	Total Other Comprehensive Income			
Balance as of March 1, 2019	386	-408	-21	827	3,283	102,859
Changes in the Current Period						
Share Issuance ¹						129
Dividend Payment						-3,419
Net Income						8,201
Change in Consolidated Subsidiaries						-7
Change due to Transactions with Non-Controlling Shareholders						-
Share Buyback						-2,999
Sale of Treasury Shares ¹						-
Changes in Items other than Shareholders' Equity	-228	10	-217	160	-3,098	-3,156
Total Changes	-228	10	-217	160	-3,098	-1,251
Balance as of February 29, 2020	158	-397	-239	988	184	101,607

¹ Shares sold to Ichigo employees upon exercise of employee stock options.

(FY19/2 – Previous Period)

(JPY million)

	Shareholders' Equity				
	Capital	Capital Reserve	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance as of March 1, 2018	26,723	11,113	54,324	-2,995	89,165
Changes in the Current Period					
Share Issuance ¹	97	97			194
Dividend Payment			-2,974		-2,974
Net Income			15,373		15,373
Change in Consolidated Subsidiaries			7		7
Change due to Transactions with Non-Controlling Shareholders		1			1
Share Buyback				-2,999	-2,999
Sale of Treasury Shares ¹		-5		6	1
Changes in Items other than Shareholders' Equity					
Total Changes	97	93	12,406	-2,993	9,604
Balance as of February 28, 2019	26,820	11,207	66,730	-5,988	98,769

	Other Comprehensive Income			Stock Options	Minority Interests	Total Net Assets
	Valuation Gain (Loss) on Other Securities	Deferred Gain (Loss) on Long-Term Interest Rate Hedges	Total Other Comprehensive Income			
Balance as of March 1, 2018	543	-372	171	666	2,722	92,725
Changes in the Current Period						
Share Issuance ¹						194
Dividend Payment						-2,974
Net Income						15,373
Change in Consolidated Subsidiaries						7
Change due to Transactions with Non-Controlling Shareholders						1
Share Buyback						-2,999
Sale of Treasury Shares ¹						1
Changes in Items other than Shareholders' Equity	-156	-35	-192	160	561	529
Total Changes	-156	-35	-192	160	561	10,133
Balance as of February 28, 2019	386	-408	-21	827	3,283	102,859

¹ Shares sold to Ichigo employees upon exercise of employee stock options.

Consolidated Cash Flow Statement (FY20/2)

(JPY million)

	FY19/2 (Mar 1, 2018 to Feb 28, 2019)	FY20/2 (Mar 1, 2019 to Feb 29, 2020)
Cash Flows from Operations:		
Pre-Tax Net Income	23,079	16,545
Depreciation	1,696	2,630
Share-based compensation expenses	213	194
Amortization of goodwill	254	174
Increase (decrease) in accrued bonuses	-3	2
Increase (decrease) in allowance for doubtful accounts	-26	4
Interest and dividend income	-71	-86
Interest expense	2,328	2,293
Losses (gains) on sales of subsidiary shares	-	-169
Losses (gains) on sale of securities investments	-2	-11
Covid-19 writedown of goodwill	-	319
Covid-19 writedown of operational securities investments	-	229
Decrease (increase) in trading notes and receivables	-247	-903
Decrease (increase) in operational securities investments	3,509	11,682
Decrease (increase) in real estate for sale	-3,163	-17,447
Covid-19 writedown of real estate for sale	-	7,487
Decrease (increase) in advances paid	-333	16
Decrease (increase) in prepaid expenses	-350	-290
Decrease (increase) in accounts receivable	-399	29
Decrease (increase) in consumption taxes receivable	1,064	-844
Increase (decrease) in accounts payable	-332	201
Increase (decrease) in accrued expenses	25	-36
Increase (decrease) in advances received	269	-285
Increase (decrease) in deposits received	219	413
Increase (decrease) in security deposits received	-264	-169
Other	954	1,321
Sub-Total	28,420	23,304
Interest and dividend income received	71	86
Interest expense paid	-2,118	-2,068
Income taxes paid	-4,645	-9,430
Income taxes refunded	35	-
Net Cash from (Used for) Operations	21,762	11,892

	(JPY million)	
	FY19/2 (Mar 1, 2018 to Feb 28, 2019)	FY20/2 (Mar 1, 2019 to Feb 29, 2020)
Cash Flows from Investments:		
Payments into time deposits	-118	-113
Redemptions of time deposits	1,060	2,063
Proceeds from cancellation of time deposits	–	2,970
Payments for securities investments	-539	-2,361
Proceeds from sale of securities investments	32	111
Acquisition of property, plant, and equipment	-15,440	-11,244
Acquisition of intangible assets	-425	-562
Payments of SPC capital contributions	-6	-2
Redemptions of SPC capital contributions	32	–
Payments of security deposits	-16	-34
Redemptions of security deposits	–	–
Acquisition of consolidated subsidiary	–	-187
Payments of loans receivable	–	-910
Other	-181	8
Net Cash from (Used for) Investments	-15,602	-10,263
Cash Flows from Financing:		
Net increase (decrease) in short-term loans	2,232	426
Proceeds from bond issuance	129	5,828
Repayment of maturing bond principal	-112	-193
Proceeds from long-term loans	43,062	49,957
Repayment of long-term loans	-20,352	-26,475
Proceeds from long-term non-recourse loans	3,500	5,300
Repayment of long-term non-recourse loans	-18,473	-17,701
Proceeds from employee exercise of stock options	143	95
Share buyback	-2,999	-2,999
Proceeds from minority interests	90	–
Payments to minority interests	–	-1,276
Sale of subsidiary shares resulting in no change of consolidation scope	100	–
Dividends paid	-2,972	-3,416
Dividends paid to minority interests	–	-8
Net Cash from (Used for) Financing	4,346	9,537
Effect of Exchange Rate Change on Cash and Cash Equivalents	–	–
Increase (Decrease) in Cash and Cash Equivalents	10,507	11,167
Cash and Cash Equivalents at Beginning of Period	39,365	45,029
Cash and Cash Equivalents Resulting from Exclusion from Consolidation	-4,843	-15,369
Cash and Cash Equivalents at End of Period	45,029	40,826

Notes to Consolidated Balance Sheet

1. Reclassification of Real Estate for Sale

Ichigo has reclassified to Fixed Assets the following Real Estate for Sale assets that are not expected to be sold in the short-term. Real Estate for Sale assets for which sales activities are underway or sale plans are in place remain as Real Estate for Sale assets.

	(JPY million)
	FY20/2
	(Feb 29, 2020)
Buildings and structures	33,136
Land	70,112
Buildings under construction	1,304
Other	94
Leasehold rights	284
Total	104,931

2. Reclassification of Fixed Assets

Ichigo has reclassified to Real Estate for Sale the following Fixed Assets that are expected to be sold in the short-term, including some assets acquired as Fixed Assets during FY20/2.

	(JPY million)
	FY20/2
	(Feb 29, 2020)
Buildings and structures	905
Depreciation	-222
Buildings and structures (net)	682
Other	11
Depreciation	-7
Other (net)	3
Land	1,222
Leasehold rights	32
Total	1,941

Notes to Consolidated Income Statement

1. Covid-19 Writedown of Real Estate for Sale

FY20/2 (March 1, 2019 to February 29, 2020)

The Covid-19 global pandemic is dramatically lowering hotel demand and putting pressure on real estate tenants across-the-board. Given these market conditions, Ichigo has done a holistic review of the current market values of all of its Real Estate for Sale, and is writing down assets (primarily hotel and retail) that are being significantly impacted by current business conditions. Ichigo thus expects to record a JPY 7.49 billion writedown of Real Estate for Sale.

2. Writedown of Goodwill

FY20/2 (March 1, 2019 to February 29, 2020)

Ichigo did a writedown of the below asset in FY 20/2.

(1) Asset and Writedown Amount

Asset	Type	Location	Impairment Loss
Other	Goodwill	Chuo-ku, Fukuoka	JPY 210 million

(2) Writedown Rationale

Ichigo impairs the values of assets to their respective recoverable amount based on the current business environment. An equivalent amount has been recorded as a loss under Extraordinary Losses.

Note that Ichigo calculates the recoverable amount based on value-in-use. For assets that are not expected to generate future cash flows, the recoverable amount is set to zero.

Revenue, P&L, and Assets by Segment (Current FY20/2)

(Mar 1, 2019 to Feb 29, 2020)

(JPY million)

	Segment				Adjustment ²	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Clean Energy (CE)	Total		
Revenue						
Revenue from External Customers	3,048	80,516	3,796	87,360	-	87,360
Inter-Segment Activities or Reclassifications	901	1	-	902	-902	-
Total	3,949	80,517	3,796	88,263	-902	87,360
Segment P&L ¹	2,526	23,971	1,272	27,771	-49	27,721
Segment P&L Details ¹						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	1,731	9,484	1,272	12,487	-	-
Flow Earnings (Profits on Sustainable Real Estate Sales, Profits on Solar Power Plant Sales, Spot AM Fees, etc.)	795	14,487	-	15,283	-	-
Segment Assets	2,519	273,455	31,627	307,602	26,124	333,726
Other						
Depreciation	-	1,479	1,120	2,599	31	2,630
Impairment Loss	-	319	-	319	-	319
Increase in Property, Plant, and Equipment and Intangible Assets	-	7,716	4,272	11,988	45	12,034

¹ Segment P&L is on an Operating Profit basis. For FY20/2, company-wide business expansion and new business entry costs have increased year-on-year and thus their allocation to the Segments has reduced Stock and Flow Earnings in each Segment.

² The Adjustment to Segment P&L (-JPY 49 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 26,124 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 31 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to

Increase in Property, Plant, and Equipment and Intangible Assets (JPY 45 million) reflects corporate assets that were not allocated to the segments.

Revenue, P&L, and Assets by Segment (Previous FY19/2)

(Mar 1, 2018 to Feb 28, 2019)

(JPY million)

	Segment				Adjustment ²	Amount Recorded in Financial Statements
	Asset Management (AM)	Sustainable Real Estate (SRE)	Clean Energy (CE)	Total		
Revenue						
Revenue from External Customers	2,440	77,450	3,648	83,540	-	83,540
Inter-Segment Activities or Reclassifications	1,017	1	-	1,019	-1,019	-
Total	3,458	77,452	3,648	84,559	-1,019	83,540
Segment P&L ¹	2,195	22,669	1,364	26,229	50	26,279
Segment P&L Details ¹						
Stock Earnings (Rental Income, Base AM Fees, FIT Solar Power Earnings, etc.)	1,791	10,315	1,364	13,471	-	-
Flow Earnings (Profits on Sustainable Real Estate Sales, Profits on Solar Power Plant Sales, Spot AM Fees, etc.)	403	12,354	-	12,758	-	-
Segment Assets	1,849	258,947	28,620	289,417	29,925	319,343
Other						
Depreciation	-	619	1,052	1,672	24	1,696
Increase in Property, Plant, and Equipment and Intangible Assets	-	11,917	3,958	15,876	-112	15,764

¹ Segment P&L is on an Operating Profit basis.

² The Adjustment to Segment P&L (JPY 50 million) reflects transaction eliminations and corporate expenses that were not allocated to the segments. The Adjustment to Segment Assets (JPY 29,925 million) reflects corporate assets, such as cash and deposits, that were not allocated to the segments. The Adjustment to Depreciation (JPY 24 million) reflects depreciation of corporate assets that were not allocated to the segments. The Adjustment to Increase in Property, Plant, and Equipment and Intangible Assets (-JPY 112 million) reflects corporate assets that were not allocated to the segments.

Goodwill and Amortization by Segment (Current FY20/2)

(Mar 1, 2019 to Feb 29, 2020)

Goodwill

(JPY million)

	Segment				Adjustment	Amount Recorded in Consolidated Financial Statements
	Asset Management	Sustainable Real Estate	Clean Energy	Total		
Amortization during the period	70	88	15	174	–	174
Outstanding balance as of period-end	771	115	203	1,090	–	1,090

Goodwill and Amortization by Segment (Previous FY19/2)

(Mar 1, 2018 to Feb 28, 2019)

Goodwill

(JPY million)

	Segment				Adjustment	Amount Recorded in Consolidated Financial Statements
	Asset Management	Sustainable Real Estate	Clean Energy	Total		
Amortization during the period	70	168	15	254	–	254
Outstanding balance as of period-end	841	285	218	1,346	–	1,346

Per Share Information

(JPY)

FY19/2 (March 1, 2018 to February 28, 2019)		FY20/2 (March 1, 2019 to February 29, 2020)	
Net Assets per Share	202.14	Net Assets per Share	208.49
Net Income per Share	31.14	Net Income per Share	16.89
Diluted Net Income per Share	31.12	Diluted Net Income per Share	16.88

Calculation of net income per share and diluted net income per share is as follows:

	FY19/2 (March 1, 2018 to February 28, 2019)	FY20/2 (March 1, 2019 to February 29, 2020)
Net Income per Share		
Net Income Attributable to Shareholders (JPY million)	15,373	8,201
Amount Not Attributable to Common Shareholders	-	-
Net Income Attributable to Shareholders in Regards to Common Shares (JPY million)	15,373	8,201
Average Number of Shares Outstanding	493,714,169	485,698,401
Increase in Shares Outstanding during Period (thousand)	333	107
(of which are related to exercise of employee stock options) (thousand)	(333)	(107)
Details of Potentially Dilutive Shares Outstanding	Jan 13, 2016 Employee Stock Options Outstanding: 1,330,700 shares Jan 13, 2017 Employee Stock Options Outstanding: 1,854,400 shares Jan 12, 2018 Employee Stock Options Outstanding: 1,765,600 shares Jan 11, 2019 Employee Stock Options Outstanding: 1,800,000 shares	Jan 13, 2016 Employee Stock Options Outstanding: 1,240,200 shares Jan 13, 2017 Employee Stock Options Outstanding: 1,743,700 shares Jan 12, 2018 Employee Stock Options Outstanding: 1,692,800 shares Jan 11, 2019 Employee Stock Options Outstanding: 1,781,600 shares